

Flathead/Lincoln FSA
133 Interstate Lane
Kalispell, MT 59901-2877
(406) 752-4242 Ext. 2

County Committee Members

Judy Olson, Chair
Richard Riedel, Vice-Chair
Kit Stoken, Member
Norman Wendt, Member

FSA Office Personnel

Douglas Young, CED
Carol Fladager, PT
Marlene Tidwell, PT
Fred Smith, FLM

NRCS Office Personnel

Angel Rosario, DC
(406) 752-4242 Ext. 3

Dates to Remember:

October – CRP Payments begin being issued

October 15 – CDP Signup began

November 2 – Final date for COC ballots to be mailed to producers

November 14-16 – Montana Association of Conservation Districts Annual Convention, Bozeman

November 11-13 – Montana Farm Bureau Annual Convention, Missoula

December 1 – NAP application closing date for Honey

December 3 – COC ballots must be returned by close of business

December 4-7 – Grain Growers Annual Convention, Great Falls

December 14-16 – Stockgrowers Annual Convention, Billings



Flathead/Lincoln FSA

November 2007

County Committee Ballots in the Mail

County Committee election ballots will be mailed to all eligible voters beginning November 2, 2007.

The election provides an opportunity for farmers and ranchers to elect candidates to serve on their local FSA county committee. Anyone who participates or cooperates in a local FSA program and meets certain voter criteria is eligible to vote. A complete explanation of voter eligibility requirements are available on the Montana FSA website at <http://www.fsa.usda.gov/mt> under the "Hot Links" section – Montana Producer Fact Sheets link or by visiting the FSA office.

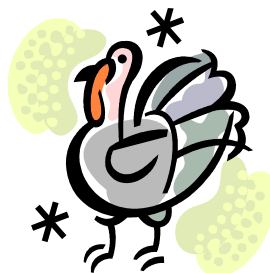
Eligible voters who do not receive ballots by mail should contact the FSA office. Ballots must be returned to the office or postmarked by December 3, 2007.

FSA county committees make important decisions about disaster and conservation programs, commodity price support loans and payments and other agricultural issues affecting the local natural resource needs.

Make a difference by voting in the upcoming FSA county committee election.

For Your Information

A number of questions have been received regarding the restoration of DCP base acreage from CRP contracts that expired on September 30, 2007. The 2002 Farm Bill provided for restoration of lost base acres when a CRP contract expired. That provision ended September 30, 2007 with the expiration of the 2002 Farm Bill. When a new Farm Bill is passed by Congress, FSA will provide details as they become available.



Happy Thanksgiving!!

NRCS Offers Incentive Payments

The Natural Resources Conservation Service (NRCS) would like to announce opportunities for farmers through the Environmental Quality Incentive Program (EQIP). EQIP offers incentive payments for:

- **Conversion from conventional tillage to No-Till operation.** The incentive is **\$11.00 per acre** for three years on a 640 acre limit. A local No-Till participant reported a 30% reduction in fuel consumption, an increase in soil moisture, a reduction in dust particles as well as saving field work time.
- **Precision Ag Methods or Developing a Nutrient Management Plan (NMP)** on land with approved conservation cropping systems that are not currently applying fertilizer to MSU standards and application rates. For Precision Ag the payment for setting up nutrient zones is **\$8.00 per acre and \$22.50 per soil test**. The NMP incentive with no precision Ag is **\$55.00 per analysis**.
- **Conversion from conventional to organic farming** or for farmers that are in the three year process of becoming certified. NRCS offers a **\$35.00 per acre** incentive on a maximum of 100 acres for up to three years. Prove of certification is required.

- **Conversion from wheel line or hand line to center pivot.** The payment is **\$250 per acre** irrigated by the pivot (new acreage does not qualify). A 10% efficiency gain on water savings need to be shown and prove of irrigation on two out of the last 5 years are needed to qualify. A separate payment applies for buried pipeline and pump if they are needed to run the pivot.

Please note: A NRCS Conservation Plan will be developed in conjunction with any of the above practices. EQIP incentives do not cover currently installed practices. Figures and practices are based on 2008 Cost Rates and are subject to change in 2009. Available practices may change after the approval by congress of the new Farm Bill.

Deadline for 2009 funding: June 1st, 2008.

Please contact Angel Rosario at 752-4242 ext. 3 for more information.



Crop Disaster Program (CDP) Quantity Losses Signup Began October 15

CDP provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters if the crop was planted before February 28, 2007, or in the case of prevented plantings, for crops that would have been planted before February 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to apply for benefits. Producers may apply for benefits for losses to multiple commodities as long as the losses occurred in the same crop year. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits.

Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

The payment rate is set at 42 percent of the established price.

Assistance, together with any crop insurance or NAP payment received for the same crop and including the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

Farmers may receive a maximum of \$80,000 in CDP benefits.

Signup for CDP quality losses will be announced at a later date.

Conservation Reserve Program Payments

FSA in Montana will be issuing more than \$116 million in CRP rental payment to participating producers for fiscal year 2007. Montana has more than 3.4 million acres enrolled in CRP across the state.

Eligible participants will be receiving those payments throughout the months of October and November.

Loan Gains Reported by IRS on 1099-G

The 1099-G form received for 2007 will include market gains associated with Commodity Credit Corporation (CCC) loan repayments regardless of whether the taxpayer repays the loan with cash or uses CCC certificates in repayment of the loan.

If a producer made a special election to treat CCC loans as income when received, the farmer accounts for market gain by making an adjustment to basis. The farmer's basis in the commodity will be equal to the amount of loan proceeds previously reported as income minus the amount of any market gain.

A farmer who made the special election should report market gain as an *Agricultural program payment* on line 6a of Schedule F, **but not** as a taxable amount on line 6b. The market gain is reported in the same way even if CCC certificates were used to facilitate repayment of the loan.

If a special election was not made the CCC loan was not included in income, the market gain is reported on line 6A **and** as a taxable amount on line 6b of Schedule F. This is the case even if CCC certificates were used to facilitate repayment of the loan.

A detailed explanation of the IRS Ruling can be found in IRS Bulletin: 2007-33 dated August 13, 2007 (Notice 2007-63). It may be found on the Internal Revenue website at http://www.irs.gov/irb/2007-33_IRB/ar07.html.

Direct and Counter Cyclical Program Payments

More than \$79 million in 2007 Direct and Counter-cyclical Program (DCP) payments have been issued to Montana producers during the month of October, 2007.

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Important Dates to Remember

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Annie's Project

Montana MarketManager will usher Annie's Project into Montana starting in January 2008. Annie's Project will be delivered in six 3-hour sessions at 12 locations around Montana. Each Monday evening session will run from 5:00 – 8:00 p.m. Registration is \$100.

Class locations:

Bozeman – Burns Telecom Center, Montana State University
Culbertson – Roosevelt Memorial Hospital
Dillon – University of Montana – Western
Glasgow – Frances Mahon Deaconess Hospital
Great Falls – MSU College of Technology
Havre – MSU Northern
Lewistown – Central Montana Education Center
Miles City – Miles City Community College
Rapelje – Rapelje High School
Scobey – Scobey High School
Shelby – Marias Medical Center
Sidney – Agricultural Research Service Center

Annie's Project brings women together to find answers, sharpen business skills, grow confidence, recognize strength and build friendships in these six workshops.

To register – go to www.montanamarketmanager.org/Education&Reference/WorkshopCalendar or call the Montana Grain Growers office at 406/761-4596.